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# SPEER FINANCIAL, INC.

*INDEPENDENT PUBLIC FINANCE CONSULTANTS SINCE 1954*

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## N E W S L E T T E R

JANUARY 2002

### THE MUNICIPAL MARKET

The year 2001 saw a fairly steady long-term rate with very low but fluctuating short-term rates. Long-term tax-exempt interest rates ranged just under a one half percent spread through the year. The *Bond Buyer* 20-Bond General Obligation Index hit 4.91% on November 8th, the lowest rate for the year. High for the year was 5.34% on April 26th. The 25-Bond Revenue Index was also fairly stable with a November 8<sup>th</sup> low of 5.20% and a May 24<sup>th</sup> high of 5.65%.

A year-end rise in rates reflects an economy which is perceived to be slowing but looking for an upturn, with any fear of inflation being ignored.

#### **Interest Rates**

Interest rates, bond sale volumes, and related statistics in this Newsletter come from reports published in *The Bond Buyer* newspaper. The 20-Bond Bond Buyer Index is the average tax-exempt market value, expressed in terms of yield, on the general obligation bonds of twenty selected issuers with Moody's ratings ranging from Baa1 to Aaa, averaging A1, and maturing in twenty years.



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